REGISTERED NUMBER: 02338540 (England and Wales)

Strategic Report, Report of the Directors and

Audited Financial Statements for the Year Ended 31 December 2019

for

Sesame Services Limited

Contents of the Financial Statements
for the Year Ended 31 December 2019

Company Information
for the Year Ended 31 December 2019

DIRECTORS:	M L F Golunska S J Harris R J Howells J A Sadler
SECRETARY:	Aviva Company Secretarial Services Limited
REGISTERED OFFICE:	Pixham End Dorking Surrey RH4 1QA
REGISTERED NUMBER:	02338540 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP No 1 Spinningfields 1 Hardman Square Manchester M3 3EB

The directors present their strategic report of Sesame Services Limited (the "Company") for the year ended 31 December 2019.

REVIEW OF BUSINESS

Principal activities

The principal activity of the Company is to provide services and administration to the Sesame Bankhall Group ("SBG") and to employ the staff who are engaged in the activities undertaken by SBG.

SBG forms part of the Aviva plc group of companies.

Significant events

The Company has continued to provide resources to SBG during the year. Income from management charges received was £24.5m (2018: £22.9m). The increase in management charge income year on year was due to an increase in the total rechargeable operating costs incurred by SBG during the year.

Financial position and performance

The financial position of the Company at 31 December 2019 is shown in the Balance Sheet on page 15, with the trading results shown in the Income Statement on page 13.

The Company's net assets have increased by £5.04m due to the profit for the financial year.

Revenue for the year of £26.06m (2018: £24.49m) was consistent with management's expectations. Revenue includes reciprocation fees received of £1.5m (2018: £1.5m) from Sesame Bankhall Valuation Services Limited, a subsidiary undertaking. The prior year loss figure was primarily attributable to an impairment of £6.1m recognised against an intercompany balance due from SB Loan Administration Limited, a fellow SBG subsidiary, which was subsequently written off in 2019.

The Company has contracts with product providers to provide certain marketing and professional services. The Financial Conduct Authority ("FCA") requires that any such income received from product providers is only the minimum necessary to recover the direct costs incurred by the advisory firm and therefore the Company operates a "cost recovery" approach for services rendered.

No dividends will be distributed for the year ended 31 December 2019 (2018: £nil).

Section 172(1) Statement and our Stakeholders

The directors report here on how they have discharged their duties under Section 172 of the Companies Act 2006.

The Board is responsible for monitoring and upholding the culture, values, standards, ethics, and reputation of the Company and SBG to ensure that the directors' obligations to its shareholders and to its stakeholders are met. The Board monitors adherence to the Aviva Group business standards and compliance with local corporate governance requirements and is committed to acting if any areas fail to act in the manner the Board expects of them.

For each matter which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making process.

The Board is also focused on the wider social context within which our businesses operate, including those issues related to climate change which are of fundamental importance to the planet's well-being.

REVIEW OF BUSINESS - continued

Our culture
As the provider of financial services to thousands of customers, SBG seeks to earn customers' trust by acting with integrity and responsibility at all times. The Company looks to build relationships with all our stakeholders based on openness and continuing dialogue.

The Company's culture is shaped, in conjunction with its parent company, Sesame Bankhall Group Limited, and its ultimate shareholder Aviva plc by jointly held and clearly defined values to help ensure it does the right thing. The Company values diversity and inclusivity in its workforce and beyond. The commitment the Company and SBG makes to each customer extends to all the Company's stakeholders; that is "with our advisors, we will make a positive difference to the financial well-being of UK consumers. We will lead by example to become one of the most recommended, recognised and trusted professional advice brands in Britain".

Key strategic decisions in 2019
SBG continues to invest in its trading brands Sesame, Bankhall and PMS to ensure that advisers are able to respond to future changes and market opportunities with the ultimate aim of making a positive difference to the financial well-being of UK consumers.

In addition to brand specific adviser related initiatives during 2019 SBG also made a number of changes to its Executive Team structure which are relevant to the Company:
- On 26 February 2019 Sesame Network appointed Richard Howells as Managing Director. This appointment followed the appointment of Ross Liston as Managing Director of Bankhall and PMS in November 2018.
- On 6 November 2019 SBG announced changes to its Executive Team structure. Stephen Harris joined as Chief Financial Officer subject to regulatory approval (received in January 2020) and Group Managing Director Martin Schultheiss left SBG. Michele Golunska was subsequently appointed Chief Executive Officer on 15 January 2020 subject to regulatory approval (received in April 2020).

Stakeholder Engagement

(i) Employees

As the SBG service company the Company employs the majority of staff engaged in the activities of SBG. As part of SBG, these staff enjoy the benefit of SBG policies and benefits made available to them (which include certain Aviva policies and benefits).

The Company's engagement mechanisms include employee forums, internal communication channels, and informal meetings with the directors and employee engagement surveys. Employees have opportunities to voice their opinion and ask questions through the SBG wide question and answer sessions with the Group Chief Executive Officer and members of the Executive Team, Voice your Views and well-being surveys which are open to all employees. Face-to-face briefings and team meetings are actively encouraged and are held across SBG business areas.

The SBG Board hold regular strategy days throughout the year which staff are able to join when required to provide 'on the ground' insight into the business.

SBG carries out a comprehensive employee engagement survey each year, and the results are considered by the Board in the context of the Company and SBG's culture, values and behaviours and actions to continually improve the results are discussed and agreed.

REVIEW OF BUSINESS - continued

Stakeholder Engagement - continued

(i) Employees - continued

SBG is committed to providing equal opportunities to all employees, irrespective of their gender, sexual orientation, marital status, race, nationality, ethnic origin, disability, age, religion or union membership status. SBG is an inclusive employer and values diversity in its employees. These commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal.

SBG is committed to making reasonable adjustments for our people and also for candidates who are interested in working for us.

SBG remains focussed on employee health and wellbeing, supporting colleagues physical, mental, financial and social wellbeing.

SBG also ensures that involvement for employees in its performance is encouraged by allowing eligible employees to participate in the Aviva Group's Save As You Earn Plan. There are also executive share schemes in place for senior employees.

(ii) Customers and clients

The SBG Board receives regular reporting on client outcomes and has utilised feedback, especially adverse points, to develop actions to improve communication, service, support and guidance, technology, and access to providers, lenders and products as a result of this feedback.

The SBG Board receives regular reporting on strategic initiatives throughout the year, undertaking deep dives into areas that impact customers and clients in order to re-align strategy where applicable. The SBG Board is supported by the SBG Executive Team, led by the Chief Executive Officer, to closely monitor customer and client metrics, and subsequently engage with the senior leaders to address any issues that may arise from customer or client complaints, feedback and our approach to Treating Customers Fairly.

(iii) Suppliers

All SBG supplier related activity is managed in line with the Aviva Group Procurement & Outsourcing Business Standard. This ensures that supply risk is managed appropriately including in relation to customer outcomes, data security, corporate responsibility, financial, operational, contractual, and brand damage caused by inadequate oversight or supplier failure.

The Aviva plc Board reviews the actions the Aviva Group, including SBG, has taken to prevent modern slavery and associated practices in any part of the Aviva Group supply chain and approves the Aviva Group's Modern Slavery Act statement each year.

In the UK, the Company's ultimate parent, Aviva plc, is a signatory of the Prompt Payment Code which sets standards for high payment practices.

The Aviva Group, including SBG, is a Living Wage employer in the UK, and the Company's supplier contracts include a commitment by the supplier to pay their eligible employees not less than the Living Wage in respect of work provided to the Company at its premises in the UK.

The SBG Supplier Management Forum are closely involved in the management of the Company's most critical or important suppliers, and regularly review reports on their performance.

REVIEW OF BUSINESS - continued

Stakeholder Engagement - continued

(iv) Communities

As a business the Company has a responsibility to our environment and local communities. The Company and SBG attempt to participate in activities that benefit society, such as reducing the Company's carbon footprint, supporting social or charitable causes, and enforcing ethical labour practices.

The Company and SBG are committed to supporting the local community and charities close to employee's hearts. The SBG Corporate Social Responsibility policy includes a 'voluntary hours' process, committing a total of 150 hours per year to enable employees to gain invaluable experience and skills, relative to the business, whilst supporting a good cause of their choice.

(v) Shareholders

The Company's ultimate shareholder is Aviva plc and there is ongoing communication and engagement with the Aviva plc Board. Any matters requiring escalation are escalated by the SBG Board through the Chair to its parent. Additionally, members of the Aviva Life Holdings UK Limited board can attend SBG Board meetings by invitation.

(vi) Our regulators

SBG maintains a close relationship with the Financial Conduct Authority ("FCA") both directly and via its relationship with Aviva. SBG notifies FCA of any material issues that FCA would reasonably expect notice of via its own internal processes, in conjunction with Aviva UK Life's Compliance Team.

Future outlook

The strategic direction of the Company is set by the directors of the Company following engagement with the Board of the parent company. The directors consider that the Company's principal activities will continue unchanged for the foreseeable future.

SBG is a broadly-based financial services group, with a long-term vision and commitment to professional financial advice. This commitment and strength put SBG in a strong position to provide greater value and choice to more adviser firms in the future. SBG continues to invest in the Company and the trading brands of SBG to ensure that they are well placed to respond to future market charges and opportunities.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Company are that its investments will decrease in value and not generate returns, that income from third parties will decrease, and that group companies will require significant changes in service requirements at short notice impacting management charge income received.

The Company monitors the performance of the other group companies and works closely with external parties to maintain levels of income and therefore minimise risks to the Company.

COVID-19 presents a new uncertainty in 2020. The primary focus of SBG is operational readiness and the safety of our customers and staff, such that we continue to deliver on our promises. Our scale, diversity, and the strength of our entity balance sheets allows us to meet any short-term challenges.

KEY PERFORMANCE INDICATORS
The Board monitors the performance of the Company using a number of financial and non-financial performance measures. A number of these for the Company are set out in these financial statements and are shown below.

	2019	2018
	£'000	£'000
Turnover	26,062	24,487
Operating profit/(loss)	6,402	(4.584)
Profit/(loss) before taxation	6,431	(4,246)
Profit/(loss) for the financial year	5,081	(4,272)
Net assets	13,855	8,816

Given the nature of the business, its performance is linked to the service requirements of other SBG companies. The Company's directors are of the opinion that analysis using key performance indicators, other than monitoring staffing levels, is not necessary for the understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:

M L F Golunska - Director

28 July 2020

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2019.

Certain information that is required in the Report of the Directors under the Companies Act has been disclosed in the Strategic Report on page 2.

DIVIDENDS
The total distribution for the year ended 31 December 2019 will be £nil (2018: £nil).

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
Changes in directors holding office in the period from 1 January 2019 to the date of this report are as follows:

R J Howells - appointed 11 September 2019
S J Harris - appointed 5 December 2019
J Kelly - resigned 15 December 2019
L H Winnard - resigned 31 January 2020
J A Sadler - appointed 17 April 2020
M F Golunska - appointed 20 April 2020
J Cowan - resigned 1 July 2020

DIRECTORS AND OFFICERS - INDEMNITY AND INSURANCE
The directors have the benefit of an indemnity provision contained in the Company's Articles of Association, subject to the conditions set out in the Companies Act 2006. This is a 'qualifying third party indemnity' provision as defined in section 234 of the Companies Act 2006.

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007. This indemnity is a "qualifying third party indemnity" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Report of the Directors by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

POLITICAL AND CHARITABLE DONATIONS
The Company has a policy not to make political donations. Charitable donations of £5,234 were made in the year ended 31 December 2019 (2018: £7,178).

GOING CONCERN
The Company has a net asset position and a cash surplus, and it is forecast to be profitable in future periods with positive cash flows. As a result, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

FINANCIAL RISK MANAGEMENT POLICY

The directors are responsible for the financial risk management process and for the review, challenge and approval of its reported financial position. Suitable policies and procedures have been adopted by the Company in order to ensure an appropriate level of risk management is directed at the relevant elements of the business.

Credit risk

The Company has minimal exposure to credit risk as amounts owed to the Company are mainly balances receivable from fellow SBG companies.

Market risk

As an intermediate holding company market risks result from fluctuations in the trading performance of the Company's subsidiary undertakings which directly affect the valuation of the investments in those subsidiary undertakings in the Company financial statements.

Liquidity risk

Liquidity risk is the risk that a firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can only secure such resources at excessive cost. The Company has a minimal exposure to liquidity risk as the majority of its income originates from fellow SBG companies.

EMPLOYEES

It is the policy of the Company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The Company is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities.

The Company seeks to engage all employees in both its short and long term goals. This is achieved through a number of communication methods such as senior management briefings, focus groups, newsletters and, increasingly, through the use of intranet technology. In addition, all SBG staff are invited to join the Aviva Save As You Earn (SAYE) plan. This plan allows staff to become an owner of the business in which they work and therefore participate in and benefit from the Aviva Group's future.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, Report of the Directors' and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make reasonable and prudent judgements and accounting estimates;
- state whether applicable IFRSs as adopted by the European Union and IFRSs issued by IASB have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITORS
In accordance with section 418 of the Companies Act 2006, the directors in office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's External Auditor, PricewaterhouseCoopers LLP, is unaware and each director has taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that PricewaterhouseCoopers LLP is aware of that information.

AUDITORS
It is the intention of the directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of section 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

M L F Golunska - Director

28 July 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Sesame Services Limited's financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Report of the Directors and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - continued

Reporting on other information - continued

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Heather Varley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

28 July 2020

Income Statement
for the Year Ended 31 December 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
TURNOVER	3		26,062		24,487
Cost of sales			(12,960)		(16,394)
GROSS PROFIT			13,102		8,093
Administrative expenses			(6,700)		(12,677)
OPERATING PROFIT/(LOSS)			6,402		(4,584)
Income from other fixed asset investments	5	-		328	
Interest receivable and similar income	6	29		10	
			29		338
PROFIT/(LOSS) BEFORE TAXATION	7		6,431		(4,246)
Tax on profit/(loss)	8		(1,350)		(26)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			5,081		(4,272)

The notes on pages 17 to 31 form part of these financial statements

Statement of Comprehensive Income
for the Year Ended 31 December 2019

	2019 £'000	2018 £'000
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	5,081	(4,272)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	5,081	(4,272)

The notes on pages 17 to 31 form part of these financial statements

Balance Sheet
As at 31 December 2019

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
FIXED ASSETS					
Tangible assets	9		1,189		154
Investments	10		8		8
			1,197		162
CURRENT ASSETS					
Debtors	11	14,119		15,981	
Cash at bank and in hand		8,349		3,502	
		22,468		19,483	
CREDITORS					
Amounts falling due within one year	12	(6,590)		(4,226)	
NET CURRENT ASSETS			15,878		15,257
TOTAL ASSETS LESS CURRENT LIABILITIES			17,075		15,419
PROVISIONS FOR LIABILITIES	15		(3,220)		(6,603)
NET ASSETS			13,855		8,816
CAPITAL AND RESERVES					
Called up share capital	16		5,599		5,599
Retained earnings	17		8,256		3,217
TOTAL SHAREHOLDERS' FUNDS			13,855		8,816

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2020 and were signed on its behalf by:

M L F Golunska - Director

The notes on pages 17 to 31 form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	5,599	7,489	13,088
Changes in equity			
Loss for the financial year and total comprehensive loss	-	(4,272)	(4,272)
Balance at 31 December 2018	5,599	3,217	8,816
Balance at 1 January 2019	5,599	3,217	8,816
Changes in equity			
Adjustment to 1 January 2019 reserves in relation to implementation of IFRS 16	-	(42)	(42)
Balance at 1 January 2019 under IFRS 16	5,599	3,175	8,774
Changes in equity			
Profit for the financial year and total comprehensive income	-	5,081	5,081
Balance at 31 December 2019	5,599	8,256	13,855

The notes on pages 17 to 31 form part of these financial statements

1. ACCOUNTING POLICIES

Reporting entity
Sesame Services Limited is a private company limited by shares. The Company is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the United Kingdom. The Company's registered office is Pixham End, Dorking, Surrey, RH4 1QA.

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
  the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Exemption from preparing consolidated financial statements
The financial statements contain information about Sesame Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it, and its subsidiary undertakings, are included by full consolidation in the consolidated financial statements of its ultimate parent company, Aviva plc, a company incorporated in Great Britain and registered in England and Wales.

continued...

1. **ACCOUNTING POLICIES - continued**

New standards, interpretations and amendments to published standards that have been adopted by the Company
The Company has adopted the following new standard which became effective for the annual reporting period beginning on 1 January 2019:

IFRS 16, Leases - In January 2016, the IASB published IFRS 16 Leases. This standard replaces IAS 17 Leases and applies to annual reporting periods beginning on or after 1 January 2019. The standard has been endorsed by the EU.

The adoption of IFRS 16 has resulted in an update to the Company's accounting policy for leases. The standard has introduced a definition of a lease with a single lessee accounting model, eliminating the previous classification of either operating or finance leases. Lessees are required to recognise lease assets and liabilities on the Balance Sheet for all leases, with the exception of short-term and low value leases. Further information can be found in the Leases accounting policy below.

The Company has chosen to adopt the modified retrospective approach on transition permitted by IFRS 16. This approach does not require prior period comparatives to be restated, and the impact of adoption of the standard on retained earnings is shown as an adjustment to opening retained earnings. On transition, and where applicable, the Company has applied the following practical expedients:
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has reviewed existing service and outsourcing contracts to determine whether they are either a lease or contain a lease at the date of initial application. This has not resulted in any additional contracts being recognised as leases in the Balance Sheet.

Application of the modified retrospective approach on transition has resulted in a reduction in retained earnings of £42k at 1 January 2019. This reflects the fact that the right-of-use assets and lease liabilities amortise to nil at different rates over the lease term. A higher initial amortisation of the right-of-use asset compared to the lease liability results in the asset value being lower than the lease liability during the lease term, with the difference between the two generally converging to nil as the lease term ends. There have been corresponding increases in the value of assets (£1.28m) and liabilities (£1.32m), representing the right-of-use assets and liabilities, net of any tax impacts, not previously recognised on the balance sheet in accordance with IAS 17.

There has been no material impact on profit before tax.

Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Company
The following new standards have been issued, are not yet effective, and are not expected to have a significant impact on the Company's financial statements:
- IFRS 17, Insurance Contracts - IFRS 17 is a comprehensive new accounting standard for insurance contracts and once effective it will replace IFRS 4 Insurance Contracts issued in 2004. Following the publication of an Exposure Draft of proposed amendments to IFRS 17 in June 2019, it is expected that the standard will apply to annual reporting periods beginning on or after 1 January 2022 at the earliest. The final standard is due to be published in mid-2020 and remains subject to endorsement by the EU and the UK.

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1. **ACCOUNTING POLICIES - continued**

Going concern
The Company has a net asset position and a cash surplus, and it is forecast to be profitable in future periods with positive cash flows. As a result, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

Turnover
Turnover is comprised mainly of management charges receivable from other group companies for the provision of services. There is no cost-plus arrangement with group companies in respect of the management charge.

Turnover also includes income relating to the development and sale of software for financial advisers. Turnover from advertising contracts is recognised as the work is performed. Electronic data interchange and remote processing services (transaction processing) are recognised as the work is performed. Professional services, such as implementation, training and consultancy, are recognised when the services are performed. Turnover represents invoiced value net of value added tax and/or trade discounts. All turnover relates to sales in the United Kingdom.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.
Plant and machinery - Straight line over 3 years

Income taxes
The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The rates enacted or substantively enacted at the Balance Sheet date are used to value the deferred tax assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future profits will be available. Deferred tax is provided on any temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not provided in respect of any temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction.

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively. Deferred tax related to any fair value re-measurement of available for sale investments, owner-occupied properties, pensions and other post-retirement obligations and other amounts charged or credited directly to other comprehensive income is recognised in the Balance Sheet as a deferred tax asset or liability.

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1. **ACCOUNTING POLICIES - continued**

Employee benefit costs
The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the profit and loss account in the year to which they relate.

Long term incentive plans
Directors of the Company hold share options relating to the ultimate parent undertaking, Aviva plc, granted under Aviva plc group share schemes.

These Annual Bonus Plan (ABP) and Restricted Stock Units (RSU) schemes are managed by Aviva Employment Services Limited. The costs associated with the share options awarded are recognised in the managing company and then recharged to relevant individual legal entities within Aviva plc. Each scheme has a three-year vesting period requiring continued employment by the group.

ABP and RSU fair values are reviewed and calculated by an external independent specialist. The fair values of ABP and RSU awards, which are not subject to Total Shareholder Return market performance conditions, are calculated with reference to the share price at grant date as these awards entitle the holder to dividend rights prior to vesting.

ABP and RSU schemes are treated as cash settled by the Company as it is effectively the Company which grants the award under existing employment contracts. The existing ABP and RSU schemes will be settled by other Aviva plc companies, rather than the Company, and therefore any charge recognised by the Company relating to these schemes will be treated as a capital contribution.

Provisions for liabilities and charges
The Company has recognised provisions for future costs that it expects to incur as a result of transactions, actions or commitments that had taken place at the Balance Sheet date. The dilapidations provision is recognised based on estimated costs payable at the end of relevant leases. The other provisions held are discussed further in the notes to the financial statements.

Leases
Where the Company is the lessee, a lease liability equal to the present value of outstanding lease payments and a corresponding right-of use asset equal to cost are initially recognised. The right-of-use asset is subsequently measured at amortised cost and depreciated on a straight-line basis over the length of the lease term. Depreciation on lease assets and interest on lease liabilities is recognised in the income statement.

The Company has made use of the election available under IFRS 16 to not recognise any amounts on the Balance Sheet associated with leases that are either deemed to be short term, or where the underlying asset is of low value. A short-term lease in this context is defined as any arrangement which has a lease term of 12 months or less. Lease payments associated with such arrangements are recognised in the income statement as an expense on a straight-line basis. The Company's total short term and low value lease portfolio is not material.

Prior period comparatives have not been restated to reflect the adoption of IFRS 16. The accounting policy relating to leases applied to comparatives is set out below.

Leases, where a significant portion of the risks and rewards of ownership is retained by the lessor, are classified as operating leases. Where the Company is the lessee, payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the term of the relevant leases.

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2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. There are no critical accounting estimates within the financial statements.

3. TURNOVER

The turnover and profit (2018 - loss) before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by class of business is given below:

	2019	2018
	£'000	£'000
Management charges receivable	24,461	22,867
Software development and sale	37	40
Professional services	1,564	1,580
	26,062	24,487

4. EMPLOYEES AND DIRECTORS

The costs of employees directly employed by the Company during the year were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	10,068	12,208
Social security costs	1,577	1,644
Other pension costs	660	616
	12,305	14,468

The average monthly number of employees during the year was as follows:

	2019	2018
Administrative staff	242	243
Sales staff	22	22
	264	265

The Company employs and remunerates SBG directors and apportions their emoluments between certain SBG companies. This recharge of directors' emoluments was based on an estimate of the share of directors' services provided to each company.

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4. EMPLOYEES AND DIRECTORS - continued

Directors' emoluments charged to the Company during the year were:

	2019	2018
	£'000	£'000
Aggregate emoluments	283	250
Other pension costs	16	15
	299	265

The number of directors accruing benefits under pension schemes during the year was:

	2019	2018
Money purchase pension scheme	3	3

SBG does not participate in a defined benefit pension scheme and therefore no costs relating to such schemes has been incurred.

The total remuneration paid to SBG directors by the Company, including amounts recharged to other SBG companies, is as follows:

	2019	2018
	£'000	£'000
Aggregate emoluments	1,403	1,551
Other pension costs	51	46
	1,454	1,597

Emoluments paid to the highest paid SBG director were:

	2019	2018
	£'000	£'000
Aggregate emoluments of the highest paid director in SBG	469	462
Pension contributions in respect of the highest paid director	-	-

Included within the emoluments disclosed above are amounts relating to share options from the ultimate parent undertaking, Aviva plc, granted to directors and senior management under the following Aviva plc group share schemes:
- Annual Bonus Plan 2017
- Annual Bonus Plan 2018
- Restricted Stock Units award 2018
- Annual Bonus Plan 2019
- Restricted Stock Units award 2019

These Annual Bonus Plan (ABP) and Restricted Stock Units (RSU) schemes are managed by Aviva Employment Services Limited. The costs associated with the share options awarded are recognised in the managing company and then recharged to relevant individual legal entities within Aviva plc. Each scheme has a three year vesting period requiring continued employment by the group.

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4. EMPLOYEES AND DIRECTORS - continued

ABP and RSU fair values are reviewed and calculated by an external independent specialist. The fair values of ABP and RSU awards, which are not subject to Total Shareholder Return market performance conditions, are calculated with reference to the share price at grant date as these awards entitle the holder to dividend rights prior to vesting. The total fair value of the share options held by directors of the Company at the Balance Sheet date was £297,114 (2018: £203,495). The fair value of the share options held by the highest paid director of the Company at the Balance Sheet date was £140,305 (2018: £185,869).

ABP and RSU schemes are treated as cash settled by the Company as it is effectively the Company which grants the award under existing employment contracts. The existing ABP and RSU schemes will be settled by other Aviva plc companies, rather than the Company, and therefore any charge recognised by the Company relating to these schemes will be treated as a capital contribution.

The charge relating to existing ABP schemes for the current year is £144,302 (2018: £49,357).

5. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2019	2018
	£'000	£'000
Dividends received	-	328

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£'000	£'000
Interest receivable	29	10

7. PROFIT/(LOSS) BEFORE TAXATION

The profit before taxation (2018 - loss before taxation) is stated after charging:

	2019	2018
	£'000	£'000
Depreciation	301	119
Finance lease interest cost	7	-
Operating leases	-	204
Auditors' remuneration - audit services	287	283

The Company has borne the auditors' remuneration for all of SBG companies. Auditors' remuneration for audit services relating directly to the Company was £41,800 excluding VAT (2018: £40,200). There were no non-audit fees in either year.

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8. TAX ON PROFIT/(LOSS)

Analysis of tax expense

	2019	2018
	£'000	£'000
Current tax:		
Tax	1,327	-
Prior period adjustment	3	2
Total current tax	1,330	2
Deferred tax	20	24
Total tax expense in income statement	1,350	26

Factors affecting the tax expense
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£'000	£'000
Profit/(loss) before taxation	6,431	(4,246)
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,222	(807)
Effects of:		
Deductions not allowable for tax purposes	127	1,184
Income not taxable for tax purposes	-	(62)
Depreciation in excess of capital allowances	(2)	(3)
Adjustments to tax charge in respect of previous periods	3	2
Group relief for nil consideration	-	(288)
Total tax expense	1,350	26

Finance Act 2016 introduced legislation reducing the UK corporation tax rate from 1 April 2020 to 17%. This reduced rate was used in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2019. In the Budget of 11 March 2020, the UK Government reversed this rate reduction, announcing that the UK corporation tax rate will remain at 19% from 1 April 2020 and this was substantively enacted on 17 March 2020. This measure would increase the Company's deferred tax liability by approximately £20k.

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9. TANGIBLE ASSETS

	Leasehold property £'000	Plant and machinery £'000	Totals £'000
COST			
At 31 December 2018	-	3,205	3,205
Adjustment at 1 January for adoption of IFRS 16	1,651	-	1,651
At 1 January 2019	1,651	3,205	4,856
Additions	-	68	68
At 31 December 2019	1,651	3,273	4,924
ACCUMULATED DEPRECIATION			
At 1 January 2019	-	3,051	3,051
Adjustment at 1 January for adoption of IFRS 16	383	-	383
At 1 January 2019	383	3,051	3,434
Charge for year	190	111	301
At 31 December 2019	573	3,162	3,735
NET BOOK VALUE			
At 31 December 2019	1,078	111	1,189
At 31 December 2018	-	154	154

The Company has adopted IFRS 16 Leases from 1 January 2019. In line with the transition options available, prior period comparatives have not been restated and the impact of the adoption has been shown as an adjustment to opening tangible assets.

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10. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2019 and 31 December 2019	8
NET BOOK VALUE	
At 31 December 2019	8
At 31 December 2018	8

In accordance with applicable accounting standards the directors undertake an annual impairment review of investments held. For 2019 this was carried out using a discounted future cash flow calculation covering a five year period and an assessment of the net realisable value of the investment. The discount rate used of 12.6% is an estimate of the market weighted average cost of capital calculated using the capital asset pricing model. No impairment of investments held at the Balance Sheet date was found.

The investments in subsidiaries at the balance sheet date comprise:

	Cost £'000	Provision £'000	Net book value £'000
Sesame Bankhall Valuation Services Limited	8	-	8
At 31 December 2019	8	-	8

The Company owns 75% of the issued ordinary share capital of Sesame Bankhall Valuation Services Limited.

11. DEBTORS

	2019 £'000	2018 £'000
Trade receivables	141	588
Amounts owed by group undertakings	13,069	14,615
Other receivables	71	69
Deferred tax asset	169	189
Prepayments and accrued income	669	520
	14,119	15,981

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Further information relating to amounts owed by group undertakings is detailed in the Related Party Disclosures in Note 19.

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12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Trade payables	121	338
Amounts owed to group undertakings	98	67
Corporation tax	1,319	294
Social security and other taxes	412	567
Other payables	1,203	2
Accruals and deferred income	3,437	2,958
	6,590	4,226

Included within other payables at 31 December 2019 is a balance of £1.20m relating to lease liabilities recognised as part of the adoption of IFRS 16 Leases. See Note 1 Accounting Policies in and Note 14 Lease Arrangements for further information.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. Further information relating to amounts owed to group undertakings is detailed in the Related Party Disclosures in Note 19.

13. DEFERRED TAX

Deferred tax arose from decelerated capital allowances. The Company is expected to trade profitably in future periods so the deferred tax asset has been recognised in full.

	2019	2018
	£'000	£'000
At 1 January	189	213
Deferred tax charge in income statement	(20)	(24)
At 31 December	169	189

14. LEASING ARRANGEMENTS

From 1 January 2019 the Company has adopted IFRS 16 Leases, the standard which replaces IAS 17 Leases. Adoption of the standard has resulted in assets previously held under operating leases (and their corresponding lease liabilities) being recognised on the Balance Sheet for the first time. Adoption of the standard resulted in the following assets and liabilities being included within the Balance Sheet for the first time at 1 January 2019:
- £1.27m owner-occupied property assets, included within Tangible Assets (see note 9);
- £9k deferred tax assets; and
- £1.32m lease liabilities, included within Other Payables.

The Company's leased assets primarily consist of properties occupied by the Company carried at amortised cost.

An interest expense in respect of leased assets of £85k has been recognised in the Company income statement for the year.

Total cash outflows recognised in the period in relation to leases were £211k. Expenses recognised in the Company Income Statement in relation to short-term and low-value leases were £nil. Variable lease payments not included in the measurement of lease liabilities were £nil.

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14. LEASING AGREEMENTS - continued

Lease liabilities included within Note 12 Creditors total £1.20m. Future contractual aggregate minimum lease payments are as follows:

	2019	2018
	£'000	£'000
Within one year	184	227
Between one and five years	890	1,097
In more than five years	509	845
	1,583	2,169

15. PROVISIONS FOR LIABILITIES

	Onerous Contract	Dilapidations	Other	Total
	£'000	£'000	£'000	£'000
At 1 January 2019	4,028	170	2,405	6,603
Charged to the income statement	164	-	(2,137)	(1,973)
Utilisation/(released)	(1,285)	-	(125)	(1,410)
At 31 December 2019	2,907	170	143	3,220

A provision for onerous contracts was recognised at 31 December 2015 for contracts which, as a result of the closure of the network for designated investment firms, would no longer provide economic benefit to SBG. The provision calculation was based on the total value of future costs the Company is committed to under the existing contractual terms. Utilisation during 2019 represents amounts paid under these contracts during the year.

A dilapidations provision is held for all properties leased by the Company. The provision includes the estimated terminal dilapidations liability for each property based on dilapidations reports prepared by an independent property consultant.

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16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £'000	2018 £'000
5,598,591 (2018: 5,598,591)	B Ordinary shares	£1	5,599	5,599

17. RETAINED EARNINGS

	Retained earnings £'000
At 1 January 2019	3,217
Profit for the financial year	5,081
IFRS 16 opening reserves adjustment	(42)
At 31 December 2019	8,256

18. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is Sesame Bankhall Group Limited a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Aviva plc, a company incorporated in England.

The smallest group in which the results of the Company were consolidated for the year was that headed by Aviva plc. Copies of Aviva plc financial statements are available on application to the Group Company Secretary, Aviva plc, St Helens, 1 Undershaft, London, EC3P 3DQ, and on the Aviva plc website at www.aviva.com.

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19. RELATED PARTY DISCLOSURES

	2019 £'000	2018 £'000
Included within amounts owed by group undertakings are:		
Sesame Bankhall Group Limited	7,561	7,561
Sesame Limited	3,881	3,770
Bankhall Support Services Limited	607	994
SB Loan Administration Limited	-	1,893
Sesame General Insurance Services Limited	-	118
Sesame Bankhall Valuation Services Limited	520	93
Premier Mortgage Service Limited	500	186
	13,069	14,615

	2019 £'000	2018 £'000
Included within amounts owed to group undertakings are:		
Aviva Life Holdings UK Limited	86	-
Friends Life Distribution Limited	-	67
Sesame General Insurance Services Limited	12	-
	98	67

During the year there have been management charges, intercompany recharges, and intercompany settlements between SBG companies. The purpose of the management and intercompany recharges is to recognize expenses in the correct statutory company. The Company continues to provide resources to SBG as the service company for the group. These resources relate to staffing and other overheads. The Company has recognised income of £24.5m (2018: £22.9m) in relation to management recharges. See Note 2 for further information.

20. EVENTS AFTER THE REPORTING PERIOD

COVID-19

2020 began with the outbreak of a new strain of the Coronavirus (COVID-19) in China. Following the spread of this virus outside of China the World Health Organisation announced the outbreak as a global pandemic on 11 March 2020. This pandemic has caused widespread economic disruption and the UK, which has been particularly badly affected, was put into government enforced lockdown from 23 March 2020. UK lockdown restrictions have gradually been eased in recent months but the effect of the disruption caused by this pandemic has been an unprecedented shock to the UK economy.

Notwithstanding our robust capital and liquidity position, and the operational and financial actions that we are taking, this pandemic has had a negative effect on SBG and the Company and any future deterioration in the situation would have adverse implications for SBG and the Company arising from the impact on consumer confidence, the housing market, and our operations.

The Company continues to operate having adopted continuity plans and the direct impact is expected to be relatively small, with the trading impact being monitored across the SBG trading entities.

Whilst SBG has seen an overall reduction in transaction volumes as a result of the lockdown the rapidly evolving situation means that the ongoing impact is unclear and it is therefore not practicable to quantify the potential financial impact of the outbreak on SBG or the Company. A wide range of potential outcomes have been considered and modelled by management as part of the going concern assessment for SBG. This assessment indicates SBG has a high level of resilience which will allow it to deal with the impact of the ongoing pandemic for the foreseeable future. Management consider COVID-19 to be a non-adjusting event under IAS 10 as it arose after the end of the reporting period.

21. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings of the Company are listed below. Each undertaking operates mainly in its country of incorporation and has only one class of ordinary share capital in issue unless otherwise stated.

The registered office of all subsidiary undertakings is Pixham End, Dorking, Surrey, RH4 1QA unless otherwise stated.

Held directly by the Company	Nature of business	Incorporated in
Sesame Bankhall Valuation Services Limited	Panel management company	England & Wales
Sesame Group India Private Limited	Support services company	India

Sesame Bankhall Valuation Services Limited has both Ordinary A and Ordinary B shares in issue and is 75% owned by the Company.